

GAO: MEDICARE DRUG PLAN HOTLINES GIVE SENIORS INCOMPLETE AND INACCURATE INFORMATION

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NEW GAO REPORT FINDS MEDICARE DRUG PLAN HOTLINES PROVIDE SENIORS WITH INCOMPLETE AND INACCURATE INFORMATION

WASHINGTON,

D.C. — A new GAO report released today by Rep. Pete Stark, Rep. Henry A. Waxman, Rep. John D. Dingell, Rep. Charles B. Rangel, and Rep. Sherrod Brown finds that the call centers run by private Medicare drug plans provide inaccurate and incomplete information most of the time. According to GAO, the private plans that are responsible for running the new Medicare drug benefit "did not consistently provide callers with accurate and complete information."

"It's not enough to simply answer the phone," said Rep. Stark, Ranking Member on the Ways and Means Health Subcommittee. "CMS should guarantee that plans provide accurate and complete information. If private plans can't meet basic standards for quality service, they shouldn't be in the program. Moreover, this report on the inadequacy of private call centers confirms the need to re-open enrollment for 2006. People who received inaccurate or incomplete information shouldn't have to remain in the wrong plan or go without coverage for the rest of the year."

"The poor quality of the information is inexcusable," said Rep. Waxman, Ranking Member of the Committee on Government Reform. "Seniors with basic questions about the Medicare drug benefit are being left in the dark. Even if they call the plans directly, they can't get accurate answers."

"The lack of accurate and understandable information for our seniors has been a chronic problem since the beginning of Medicare Part D," said Rep. Dingell, Ranking Member of the Committee on Energy and Commerce. "Senior citizens are being hurt by the indifference and incompetence of the Bush Administration and its friends in the insurance industry."

"Too often, the Bush Administration blames the messenger for bad news about its performance," commented Rep. Rangel, Ranking Member on the Committee on Ways and Means. "In general, GAO has now found that customer service representatives at both CMS and the plans provide inaccurate, incomplete or misleading information more often than not. That failure rate is unacceptable. Certainly, the plans are at fault, but it also points to systemic problems with the program. It's so complicated that even those who offer and administer the benefit are confused."

"Republican leaders made the decision to bypass Medicare and slap together a private insurance market just for drug benefits, but it's seniors and taxpayers who are paying for that decision. First it's complexity, confusion and misinformation. Then it's red tape restrictions on needed medicines, insurance benefits that stop mid-year, and drug prices that keep growing and growing and growing," said Rep. Brown. "There's a bill in Congress to give seniors the right to simply add drug benefits directly to Medicare and grant Medicare the right to negotiate bulk discounts on drug prices. Republican leaders should finally put seniors and taxpayers first and help Democrats pass it."

GAO found that in most instances, drug plan providers were unable to give accurate information in response to simple questions about plan costs, low-income coverage, plan formulary procedures, and plan utilization management techniques. Specifically, GAO found:

- Two-thirds of phone calls to provider hotlines were not answered completely or accurately. The phone centers operated by private Medicare providers gave inaccurate or incomplete answers during 66% of calls. Two Medicare plan providers gave inaccurate or incomplete information at least 75% of the time.

- Medicare drug plan providers were unable to provide critical cost information for seniors to choose among plans. Two GAO questions focused on which of drug plans would provide seniors with the lowest out-of-pocket costs, and what these costs would be. Medicare providers failed to

give accurate or complete answers over 70% of the time. In one case, the plan sponsor hotline underestimated the actual costs by \$6,000.

- Low-income

beneficiaries often received inaccurate information. One question asked which plans offered by the provider were available to low-income beneficiaries with no premium. This question was answered incorrectly or inaccurately 66% of the time. This is particularly troubling given that this information was also incorrect in the 2006 Medicare & You handbook mailed to all Medicare beneficiaries.

- Medicare

plans often provided conflicting answers, giving one answer on one call and a different answer on a second call. For example, some plans said that one of their plans was the least expensive on one call and then said that a completely different plan was the least expensive on a separate call.

This is the second GAO report analyzing the drug plan information available to Medicare beneficiaries. In May 2006, GAO analyzed the information provided to seniors by the federal Center for Medicare and Medicaid Services, concluding that this information was frequently confusing, inaccurate, or incomplete. The new GAO findings show that the private plans are also failing to answer seniors' questions, leaving millions of seniors unable to get accurate answers to their questions about the Medicare drug plans.

A fact sheet summarizing the report is available at http://www.house.gov/stark/news/109th/pressreleases/20060710_gao_factsheet.pdf

The GAO report is available at http://www.house.gov/stark/news/109th/pressreleases/20060710_GAOReport.pdf